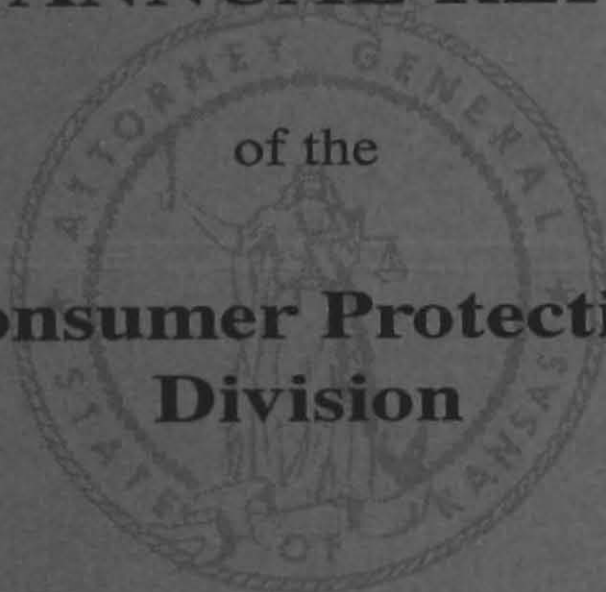


**CONSUMER PROTECTION  
IN  
KANSAS**

**1994 ANNUAL REPORT**

of the  
**Consumer Protection  
Division**

The seal of the Attorney General of the State of Kansas is centered behind the text. It features a central figure holding a scale and a sword, surrounded by the text "ATTORNEY GENERAL" at the top and "STATE OF KANSAS" at the bottom.

**Office of Attorney General  
Carla J. Stovall**

(Submitted pursuant to K.S.A. 50-628)



State of Kansas

## Office of the Attorney General

301 S.W. 10TH AVENUE, TOPEKA 66612-1597

CARLA J. STOVALL  
ATTORNEY GENERAL

March 13, 1995

MAIN PHONE: (913) 296-2215  
CONSUMER PROTECTION: 296-3751  
FAX: 296-6296

TO: The Honorable Bill Graves, Governor  
and Members of the Kansas Legislature

I commend to your reading the following report of the Consumer Protection Division of the Attorney General's Office. In 1994, the Consumer Protection Division received over 4,900 formal written complaints resulting in consumer savings of \$1,426,699. 2,412 written inquiries were also received. We continue to travel throughout Kansas and give consumer protection speeches to schools, civic groups and community organizations. As a result of those educational efforts, more consumers have been made aware of our services and are less likely to fall victim to an unscrupulous business practice.

I am proud of the assistance that the Consumer Protection Division provides to Kansas consumers. We participate in consumer protection efforts on not only a state level, but also on a national level through active cooperation with the National Association of Attorneys General. Such cooperation is particularly beneficial in combating deceptive practices by out-of-state businesses.

It is a top priority of this office to protect Kansas consumers from deceptive or unconscionable business practices through strong enforcement of the Kansas Consumer Protection Act. Enforcement of consumer laws and consumer education efforts have been combined to protect Kansas consumers. I have proposed legislative initiatives to strengthen the Act to better protect our citizens and to more effectively penalize the wrongdoers.

If my staff or I may be of service to you or your constituents, or if we can answer any questions regarding consumer protection in Kansas, please feel free to contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Carla J. Stovall".

CARLA J. STOVALL  
Attorney General

## INTRODUCTION

Through 1994, the Consumer Protection Division received a substantial number of inquiries and complaints from consumers. More than 4,900 formal complaints and 2,412 written inquiries were made to the division. Such strong communication with consumers is directly attributable to this office's commitment to enforce consumer laws and provide consumer education to Kansans. As a result of lawsuits, settlements and mediation, consumers were saved \$1,426,699.

Through actions taken under the Kansas Consumer Protection Act, the Attorney General stopped deceptive and unconscionable practices by telemarketers, car dealerships, prize and product promoters, and many others. A great number of consumers were assisted in obtaining refunds or product delivery from businesses.

The Office of Attorney General requested that some of those who violated the Kansas Consumer Protection Act make donations to charities in Kansas. Food banks, shelters, the poor, children and cancer victims have benefited from this effort.

Consumer awareness and education continue to play an important role in the Consumer Protection Division. During 1994, the Consumer Protection Division staff spoke to over 40 different groups located throughout Kansas. By speaking to students, civic groups and community organizations, consumers are provided valuable suggestions and alerted to fraudulent business practices.

A weekly newspaper column, "Consumer Corner", is sent to more than 200 newspapers throughout Kansas and provides useful reviews of problems experienced by other consumers. In addition, the public can see examples of past scams, rip-offs, etc. and speak with the Attorney General and staff at the Kansas State Fair every year.

41-5	41
42-2	12
43-6	36
44-14	200
45-12	146-2 144
46-16	204
47-1	32

14	14	196	2
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### CATEGORIES OF NEW COMPLAINTS

Complaints Filed: 4,942  
 Complaints Closed: 4,438  
 Written Inquiries: 2,412  
 Total Annual Savings: \$1,426,699

Complaints Received	Percent of Total
132	2.67%
22	0.45%
<del>725</del> 14	14.67%
9	0.18%
28	0.57%
66	1.34%
61	1.23%
6	0.12%
15	0.30%
8	0.16%
118	2.39%
32	0.65%
345	6.98%
196	3.97%
15	0.30%
26	0.53%
47	0.95%
31	0.63%
37	0.75%
19	0.38%
3	0.06%
27	0.55%
7	0.14%
1	0.02%
21	0.42%
9	0.18%
35	0.71%

- Advertising 277
- Appliances
- Automobiles
- Boats, Boating Equipment, Repairs, etc.
- Book, Record and Tape Clubs
- Business Opportunity Services
- Cable Television
- Cemeteries
- Clothing
- Collectibles/Antiques
- Collection Practices
- Computers
- Contests
- Credit Code
- Credit Reporting Agencies
- Discount Buying Clubs
- Door-to-Door Sales
- Education
- Failure to Furnish Merchandise (non-mail order)
- Farm Implements/Equipment
- Fire, Heat and Smoke Alarms
- Floor Coverings
- Food Products
- Franchise Sales
- Fund Raising (charities, etc.)
- Funeral Homes & Plans
- Furniture

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41 - 46	6.344	6.35
42 - 14	1.938	
43 - 42	5.793	
44 - 214	29.511	29.52
45 - 156	21.517	21.52
46 - 220	30.344	
47 - 33	4.556	4.6
	725	99.99

Auto. 94

725

	<u>Complaints Received</u>	<u>Percent of Total</u>
Gasoline Pricing	5	0.10%
Health Services (doctors, dentists, hospitals, etc.)	62	1.25%
Health Spas and Weight Salons	229	4.63%
Hearing Aids	14	0.28%
Heating and Air Conditioning	23	0.47%
Home Construction	26	0.53%
Home Improvements	183	3.70%
Interest Rates & Lending Companies (noncredit code)	1	0.02%
Invoice and Billing Schemes (noncredit code)	21	0.42%
Jewelry	16	0.32%
Kitchenware	2	0.04%
Land Sales (subdivided Kansas)	46	0.93%
Land Sales (subdivided out-of-state)	2	0.04%
Land Resale Companies	9	0.18%
Loan Finders	28	0.57%
Lotteries	1	0.02%
Magazines	173	3.50%
Mail Order Companies	462	9.35%
Miscellaneous	6	0.12%
Mobile Home Parks	1	0.02%
Mobile Homes & Campers	28	0.57%
Mortgages	112	2.27%
Mortgage Escrow Problems	2	0.04%
Motorcycles and Bicycles	5	0.10%
Moving and Storage	15	0.30%
Multilevel and Pyramid Distributorship Companies	155	3.14%
Musical Instruments, Lessons, etc.	2	0.04%
Negative Selection	17	0.34%
Nurseries, Gardening Equipment, etc.	5	0.10%
Office Equipment and Supplies	8	0.16%
Pest Control	20	0.40%
Pets/Animals	21	0.42%
Photo Studios, Equipment and Services	16	0.32%



CARLA J. STOVALL  
ATTORNEY GENERAL

State of Kansas

Office of the Attorney General

CONSUMER PROTECTION DIVISION

301 S.W. 10TH, LOWER LEVEL, TOPEKA 66612-1597

PHONE: (913) 296-3751 FAX: (913) 291-3699

CONSUMER HOTLINE  
1-800-432-2310

TELECOPIER MESSAGE

FROM TELECOPIER NUMBER: (913) 296-6296

DATE: October 16, 1995

NUMBER OF PAGES INCLUDING COVER SHEET: 1

PLEASE DELIVER MESSAGE ASAP TO:

NAME : Ed Lobdell

SECTION : GMAC

LOCATION : Kansas City, MO

TELECOPIER NUMBER : 816-941-1686

MESSAGE FROM

NAME : Rodney L. Allen, Special Agent

SECTION : Consumer Protection

TELEPHONE NUMBER : (913) 296-3751

There were 725 investigated complaints in 1994.

General category	46	6.35%
Odometer setback	14	1.93%
New car sales-	42	5.79%
rebates/advertising		
Repair/Service	214	29.52%
Used car sales	156	21.52%
Warranty/Extended	220	30.34%
service contracts		
Lemon Law	33	4.55%

467 / 4942

9.44%

	<b>Complaints Received</b>	<b>Percent of Total</b>
Real Estate (houses)	14	0.28%
Real Estate (other than houses)	97	1.96%
Rebates	14	0.28%
Recovery Companies	10	0.20%
Satellite Dishes	9	0.18%
Securities and Investments (not stocks and bonds)	17	0.34%
Services (general)	231	4.67%
Services (professional)	76	1.54%
Sewing Machines	3	0.06%
Sporting Goods	1	0.02%
Steel Buildings	8	0.16%
Stereos and Record Players	2	0.04%
Telephone Solicitations	508	10.28%
Televisions and Radios	8	0.16%
Timeshare Sales	8	0.16%
Toys	2	0.04%
Travel Agencies	69	1.40%
Travel & Transportation	23	0.47%
Utilities	1	0.02%
<u>Vending Machines</u>	9	0.18%
Warranty Problems	48	0.97%
Water Softeners, Conditioners, Purifiers, etc.	7	0.14%
Work-at-Home Schemes	<u>20</u>	<u>0.40%</u>
<b>TOTAL CASES OPENED</b>	<b>4,942</b>	<b>100.00%</b>

## DISPOSITION OF CLOSED COMPLAINTS

	<u>Complaints Closed</u>	<u>Percent of Total</u>
Inquiry or Information Only	51	1.15%
Referred to Private Attorney	87	1.96%
Referred to County/District Attorney	11	0.25%
Referred to Other Attorney General	566	12.75%
Referred to Other Kansas Agency	60	1.35%
Referred to Small Claims Court	237	5.34%
Referred to Federal Agency (FTC, Post Office, etc.)	79	1.78%
Money Refunded/Contract Cancelled	1,424	32.09%
Merchandise Delivered	130	2.93%
Repaired/Replaced	119	2.68%
Mediation Only -- No Savings	339	7.64%
No Reply From Complainant	191	4.30%
Unable to Locate Respondent	93	2.10%
Practice Discontinued	42	0.95%
Respondent Out of Business	70	1.58%
No Basis	135	3.04%
No Jurisdiction	111	2.50%
Insufficient Evidence	312	7.03%
Withdrawn	61	1.37%
Unable to Satisfy Complainant -- no further action	72	1.62%
Other	65	1.46%
Lawsuit Complaint Files:		
Respondent Enjoined	87	1.96%
Consent Judgment	55	1.24%
Voluntary Compliance Agreement	6	0.14%
Default Judgment	25	0.56%
Respondent Filed Bankruptcy	0	0.00%
Cemetery Abandoned	9	0.20%
Other	<u>1</u>	<u>0.02%</u>
<b>TOTAL CASES CLOSED</b>	<b>4,438</b>	<b>100.00%</b>



**SUMMARY OF 1994 LAWSUITS  
AND ASSURANCES OF VOLUNTARY COMPLIANCE**

STATE, ex rel. v. BARRISTER INVESTMENTS, INC.

This Florida pay phone company solicited vendors in Kansas. The business sold pay telephones as business ventures, representing to the consumer that they were approved by all necessary Kansas regulatory agencies when they were not so approved. Although the defendant corporation entered an appearance, an effective answer to the petition was never made. Consequently, a default judgment was rendered in Shawnee County District Court in January 1994 against the company ordering them to pay \$17,000.00 in restitution, \$15,000 in civil penalties, and \$177.50 in investigative fees.

STATE, ex rel., v. ISABEL MANDELKERN  
d/b/a FLEX PADS INTERNATIONAL and ISABEL  
MANDELKERN d/b/a FLEX PADS INTERNATIONAL, INC.

A lawsuit was filed in Johnson County District Court against the manufacturer of breast prosthesis devices who sold the product largely through multi-state mail order. Our petition alleged deceptive claims concerning the "custom made" fit and price unconscionability for the \$1,800 per device price. An agreed-to temporary injunction provided that the defendant would reduce the price to no more than \$500 and not make any claims of "custom made" fit. The court granted the state's motion for partial summary judgment on four of the eight counts. Costs, penalties and consumer damages have yet to be decided.

STATE, ex rel. v. FUN & FITNESS, INC. d/b/a  
THE NEW MADEMOISELLE and AUGUST MANSKER

A lawsuit was filed in Johnson County District Court in August 1994 against the company and principal owner of this Kansas City area health club. It appears that for 20 years the principal, August Mansker, has opened clubs only to close them very shortly thereafter. He has done this in other states as well as Kansas. In the current case, we alleged that the defendants have continued to sell long term memberships knowing that the club was not financially able to continue and that closure was inevitable. There was also a term included in the contracts allowing unilateral change to every material term, which we have alleged is unconscionable. The defendants have been

served and have failed to file an answer. We are currently attempting to obtain default judgment against the corporation.

STATE, ex rel. v. CONSUMER ACCEPTANCE NETWORK,  
INC. d/b/a ACCOUNT SERVICES, INC.  
and JEROME DAVID JONES

The defendant is a credit services organization that uses telemarketers to induce consumers to "join their club". They promise or imply that the company will obtain a major credit card such as Mastercard or Visa for the consumer. After obtaining the consumer's checking account number and bank name, the company sends an electronic debit through on the consumer's account for \$149.95. For this charge, the consumer receives a "CONSUMER ACCEPTANCE COMPANY GOLD CARD" which allows the consumer an opportunity to purchase at least \$750 worth of merchandise from their catalog at inflated prices "on credit". The Consumer Protection Division filed a lawsuit in Shawnee County District Court on July 7, 1994 alleging violations of the Kansas Consumer Protection Act, credit services organizations statutes and telemarketing fraud statutes. This lawsuit is currently in the discovery stage of litigation.

STATE, ex rel. v. EVERETT OLIAN LAWRENCE a/k/a  
BUTCH LAWRENCE and MARVIN TAYLOR  
d/b/a HOMESAVERS OF JOHNSON COUNTY

In October 1994 the Attorney General filed a lawsuit against this Kansas City area "equiteer" and his accomplice who victimized consumers at both ends of the transaction. Initially he contacts homeowners who have had a foreclosure action filed against them, purchases the house for next to nothing, and obtains possession. He then advertises the house for "rent" and gets a purchase option contract from new consumers who "buy" the redemption rights from him for approximately \$13,000. These consumers think they are renting with the option to buy the house. The defendant tells them that all the rent they pay can be applied to the purchase price if they decide to buy the house. All the consumers end up with is very little money and no home. There are a lot of misrepresentations and a general lack of truth involved in these transactions.

STATE, ex rel. v. KENNETH R. & TRUDY C. DAMON  
d/b/a DAMON'S CAR CENTER, AND  
DOUG J. LINEBACK d/b/a LINEBACK AUTOMOTIVE

Two automobile dealers, one a rebuilder, were involved in selling a car that was really two cars (or more). A four count petition was filed by the Consumer Protection Division in Barton County District Court alleging deception on the part of both dealers. The court granted our motion for summary judgment as to two counts. A hearing on costs resulted in an award of \$14,945.70 as consumer restitution and \$748.94 in investigative fees and expenses.

STATE ex rel. v. DAVID KRIEDLER  
d/b/a CAROLINA FURNITURE EXPRESS

Defendant is a door-to-door furniture sales company located in North Carolina. The Consumer Protection Division filed a petition in Shawnee County District Court on January 5, 1994 alleging several counts of deceptiveness, including failure to give proper notice of right to cancel, misrepresenting that the furniture was manufactured by name brand furniture dealers, and that the furniture was supposed to have been delivered to a local furniture store.

On August 8, 1994 the defendant entered into a consent judgment and agreed to refrain from further violations of the Kansas Consumer Protection Act, to refrain from doing business in Kansas and to refund consumers one-third of their purchase price. Defendant also agreed to pay \$1,000 in investigative fees and \$1,000 in civil penalties.

IN THE MATTER OF SANDOZ  
PHARMACEUTICALS CORPORATION

In March 1994 the respondent entered into an Assurance of Voluntary Compliance for deceptive advertising connected with the reformulation of cold or cough medicines. The respondent agreed to refrain from further violations of the Kansas Consumer Protection Act and paid \$2,000 in investigative fees and \$5,000 in charitable donations.

STATE, ex rel. v. GARY WILLIAM DEAN BUTLER  
and HEATHER R. BUTLER

Defendants operated a business which sells imprinted t-shirts and sweatshirts. During the 1992 - 1993 school year, defendants solicited nearly 100 schools in the Wichita area to purchase shirts as a school fundraiser. Many schools received no share of the proceeds as promised. Additionally, defendants claimed an affiliation with Students Against Driving Drunk (SADD). National, state and local SADD officials deny endorsement of defendants' activities. The Attorney General filed a lawsuit on December 21, 1993 alleging that the defendants violated the Kansas Consumer Protection Act and the Charitable Organizations and Solicitations Act.

In a consent judgment signed June 16, 1994, defendants agreed to refrain from further violations of the Acts and defendants further agreed to refund \$3,217.50 in restitution to 15 Wichita area schools, pay \$2,000 in investigative fees and \$1,000 in civil penalties.

STATE, ex rel. v. PINPOINT DIRECT, INC. d/b/a  
CASH & MERCHANDISE CLAIM DEPARTMENT

The Attorney General filed a lawsuit against this Las Vegas company alleging deceptive and unconscionable acts and practices in violation of the Kansas Consumer Protection Act in connection with its puzzle and game contests operating through the mail. In August 1994 the company entered into a consent judgment whereby they agreed to make additional disclosures in the contest rules and refrain from accepting more than \$250 from any one consumer in connection with a single contest without first receiving written acknowledgement from that consumer. The company also agreed to issue in excess of \$65,000 in refunds to consumers, pay \$20,000 in investigative fees, \$10,000 in civil penalties and \$10,000 in voluntary charitable contributions.

STATE, ex rel. v. OPPORTUNITIES UNLIMITED  
PUBLICATION, INC. & CONTEST AMERICA  
PUBLISHERS, INC.

Kansas and Iowa filed suit against this Missouri company engaged in conducting mail puzzle and game contests alleging multiple violations of the Kansas Consumer Protection Act. On January 6, 1995 the company entered into a consent judgment whereby it agreed to change the format of the solicitations to provide more information and to refrain from making certain claims or representations, to limit the amount accepted from individual consumers, to make a good faith effort

to reduce the number of customers receiving multiple mailings, and to pay \$40,600 in consumer refunds to known customers and \$10,000 in investigative fees. These amounts were in addition to consumer refunds previously made by this company.

IN THE MATTER OF BARRY AND RONALD VILTRAKIS  
d/b/a BETTER WAY MARKETING

This Nevada company mailed prize notifications into Kansas, asking that consumers call to claim their award. Callers were then given a sales presentation which omitted material facts. In July 1994 the respondent entered into an Assurance of Voluntary Compliance and agreed to stop conducting mail or telephone solicitations within Kansas, to issue refunds to all consumers who complained to the Attorney General's office within the following six months, to pay \$2,200 to identified consumers, and to pay \$500 in investigative fees.

IN THE MATTER OF HELGA KLING  
d/b/a AMERICA'S CHOICE CLEARING HOUSE

Using a Lawrence, Kansas private mail box return address, this Texas based company sent prize notification post cards to consumers throughout the nation. The Attorney General's office believed that the company violated Kansas telemarketing laws by omitting material information in the presentations to Kansas consumers who called to claim their prize. In April 1994 the respondent entered into an Assurance of Voluntary Compliance and agreed to stop using the Kansas mail box, to issue refunds to consumers who complained within six months of the Assurance, to cease all use of this or similar solicitations, and to pay \$500 in investigative fees. We believe the company is now essentially out of business.

IN THE MATTER OF THE HUMANITIES GROUP

Kansas residents were solicited by this Nevada organization for charitable contributions although they were not registered in Kansas as fund raisers as required under our Charitable Organizations and Solicitations Act. The respondent agreed to enter into an Assurance of Voluntary Compliance on September 16, 1994 whereby it agreed to issue refunds to consumers who complained within six months of the Assurance, to refrain from soliciting further contributions from

Kansans, to pay \$500 in investigative fees and \$500 in civil penalties.

IN THE MATTER OF KING BONAY  
d/b/a INTEGRITY UNLIMITED

Kansas consumers received prize notification mailings from this Texas company. Upon calling to claim the prize, the consumers were given a sales presentation. The Attorney General believed the mailings and telephone presentations omitted material information. On October 28, 1994 the respondent entered into an Assurance of Voluntary Compliance whereby it agreed to refrain from doing any further business in Kansas, to make refunds to all consumers who complained within six months of the Assurance and to pay \$500 in investigative fees.

STATE, ex rel. v. GRAND CONCEPTS, INC.

The Attorney General filed a lawsuit against this Georgia corporation in Shawnee County District Court for violations of the Kansas Consumer Protection Act in connection with its 1993 and 1994 mailed prize notifications and resulting telephone sales. This office alleged that material information was omitted from the mailing and telephone solicitations. On September 27, 1994 a default judgment was rendered against the corporation ordering it to pay known consumers \$3,577.44 in refunds, \$60,000 in civil penalties and \$1,000 in investigative fees. In addition, the company had actually paid \$597.89 in refunds to other consumers.

IN THE MATTER OF JGB ENTERPRISES, INC.

Prize notification type solicitations were mailed to Kansans by this Las Vegas, Nevada corporation. Upon calling to claim the prize, Kansas consumers were given a sales presentation. The Attorney General alleged that both the mailings and presentations omitted material facts. In a November 21, 1994 Assurance of Voluntary Compliance, the respondent agreed to refrain from doing any further business in Kansas and to make refunds to Kansas consumers who complained to this office within sixty days following the Assurance.

IN THE MATTER OF WESTPORT ENTERPRISES, INC.

This Kansas City, Missouri company sent mailings to Kansas consumers regarding their eligibility to win a prize. The Attorney General was concerned about the respondent's representations and commenced an investigation. Without admitting any violations of Kansas law, the respondent entered into an Assurance of Voluntary Compliance on November 30, 1994. Defendant agreed to be enjoined from any further mailings of the problematic notification to Kansas residents, to make refunds to any consumer who complained to the Attorney General within six months of the Assurance and to pay \$500 in investigative fees.

IN THE MATTER OF USA CLEARING HOUSE, INC.

This Texas corporation mailed prize notification-type solicitations to Kansas consumers, who were instructed to call the company to claim their prize. Upon calling, consumers received a telemarketing sales presentation attempting to sell various products such as key chains, ball point pens, etc. The Attorney General alleged that the mailings and telephone sales omitted material facts and violated the Kansas telemarketing law. On June 9, 1994 the respondent agreed to enter into an Assurance of Voluntary Compliance whereby it agreed to pay \$2,500 in investigative fees, to refrain from doing further business in Kansas and to make full refunds to any consumer complaining to this office within sixty days of the Assurance.

State, ex rel. v. FINE-LINE DISTRIBUTORS, INC.

In a lawsuit filed in Shawnee County District Court the Attorney General alleged that this Florida door-to-door meat company used false reference prices, failed to tell the price per pound, did not give a three-day cancellation option and otherwise generally misrepresented the truth. In a consent judgment filed October 26, 1994 the defendant agreed to make changes in its brochures and sales practices, to resolve consumer complaints, and to pay \$1,500 in civil penalties and \$1,500 in investigative fees.

STATE, ex rel. v. NETWORK BILLING CENTERS, INC.;  
MED-NET TECHNOLOGIES, INC.; and THOMAS L.  
BRIDGES

A multi-count petition was filed in Johnson County District Court in connection with a computer billing service business opportunity. Consumers from across the nation were sold software that the Attorney General alleged was pirated and did not work. Consumers were promised a business opportunity billing insurance for health care providers which the defendant could not provide. In addition, software training provided by the company was not on the software sold. The court approved asset seizure of up to \$1.5 million and approximately \$150,00 was seized. In March 1994 a consent judgment was approved by the court which provided for injunctive relief, payment of the state's discovery costs, damages to 49 consumers of at least \$6,000 each, and a \$20,000 investigation fee. In addition, the court assessed civil penalties of \$680,000 which brought the total judgment close to \$1 million. The case is in collection.

STATE, ex rel. v. DANIEL M. LANDERS

The Attorney General filed a petition in Sedgwick County District Court alleging deceptive and unconscionable acts by the defendant in connection with his preparation and sale of living trusts. The defendant is not an attorney and was previously licensed to sell insurance, however, that license had been revoked. A consent judgment was reached on May 20, 1994 in which the defendant agreed to provide additional information, to tender refunds to consumers and to pay \$1,000 in investigative fees.

STATE, ex rel. v. RICK FREEMAN

This company placed advertisements in trade magazines for fenders and other car parts. The company had a history of late or no delivery, poor workmanship, charging for restocking when parts are returned (even if due to company error) and other problems. The defendant entered into a consent judgment on June 13, 1994 enjoining him from owning or operating a mail order business in Kansas.



STATE, ex rel. v. BERLYN R. WILLIAMS

The Attorney General is handling this case at the request of the Wyandotte County District Attorney. The Attorney General alleges that Berlyn Williams, a minister, involved his parishioners and others into a plan to sell silver coins; but that the plan is an illegal pyramid scheme and that Mr. Williams misled participants as to how much money they could make. The case is scheduled for trial in July.

STATE, ex rel. v. PUBLISHER'S DIRECT SERVICES, INC.

In a lawsuit filed in Shawnee County District Court the Attorney General alleged that the defendant violated the telemarketing laws of the State of Kansas. The defendant agreed to a consent judgment on February 10, 1994, which enjoined it from further violating the Kansas Consumer Protection Act and it was ordered to pay refunds to consumers.

STATE, ex rel. v. MICKEY M. MEERS  
STATE, ex rel. v. JAMES LEE LANHAM  
STATE, ex rel. v. BILLY WAYNE NORTON

These defendants deceived three elderly women into paying a more than \$100,000 for unnecessary and defective home repairs. All defendants entered into consent judgments requiring repayment. They also were sentenced criminally in cases filed by the Nemaha County Attorney.

STATE, ex rel. v. GREGORY L. SAMS  
d/b/a/ SENIOR LIVING TRUST

The Attorney General filed a lawsuit against Gregory Sams alleging that Mr. Sams took over \$198,000 from an elderly woman in Leavenworth for services that he did not provide. The Attorney General obtained a consent judgment requiring that Mr. Sams repay the money. A criminal suit was also filed by the Leavenworth County Attorney.

STATE, ex rel. v. VERNIE'S TRUX-N-EQUIP, INC.  
and DARRELL UNREIN

Defendant disclaimed implied warranties in a contract with a consumer in violation of the Kansas Consumer Protection Act notwithstanding a previous warning by the Attorney General. The Attorney General entered a consent judgment on June 22, 1994 that enjoined the defendant from further violating the Kansas Consumer Protection Act, required full refund to the consumer who complained of damages resulting from the violation, and ordered the payment of a \$2,500 investigative fee.

STATE, ex rel. v. COMMUNITY HOME FUNDING  
CORPORATION

Defendant was a mortgage company that, for a fee, agreed to provide home mortgage loans at the current interest rate for up to nine months after the loan agreement was signed. Defendant committed violations of the Kansas Consumer Protection Act that resulted in consumers being unable to receive their loan at the agreed upon rate. On June 24, 1994 the defendant entered into a consent judgment agreeing to pay refunds and damages. The defendant, however, is insolvent and out of business and will never be able to make more than partial repayment.

STATE, ex rel. v. OL' MAC MOTORS, INC.  
and JOHN S. MCNISH

The Attorney General filed a lawsuit in Shawnee County District Court against the corporate defendant and its owner alleging that defendants sold a car with actual knowledge that it had been wrecked without disclosing that fact to the purchaser. The case remains in litigation.

STATE, ex rel. v. JOHN CHEZIK HOMERUN, INC.

On November 16, 1993 this office filed suit against John Chezik Homerun, Inc., a Missouri automobile dealership. The dealership advertised in the Kansas City Star that for a two-day period all in-stock Hondas were 20% off. A very small disclosure at the bottom of the advertisement, without asterisk, stated "20% off options". It was determined that the two Kansas consumers who purchased vehicles

during the sale but not actually receive the 20% off the price of the car but only off the option package. This case remains in litigation.

**OFFICE OF THE ATTORNEY GENERAL  
STATE OF KANSAS**

**CARLA J. STOVALL  
ATTORNEY GENERAL**

**CONSUMER PROTECTION STAFF  
AT THE TIME OF THIS PUBLICATION - FEBRUARY, 1995**

**C. Steve Rarrick  
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JANUARY 1, 1994 TO DECEMBER 31, 1994**

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The Consumer Protection Advisory Council, made up of appointed private individuals and representatives from many sectors and businesses, provided the Attorney General with information about consumer problems and made valuable suggestions.

